

Chairman Lowell Johnson called the regularly scheduled meeting to order at 9:01 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, Landis and Vap present. Chairman Johnson also invited the public to address the Commission at any point during the meeting. He also announced that a copy of the Nebraska Open Meetings Act was available in the meeting room.

Commissioners Vap, Landis, Boyle and Rod Johnson each thanked Commissioner Lowell Johnson, who is retiring after two terms on the Commission, for his years of service and dedication, as well as the cooperative and honorable demeanor in which he conducted his work with colleagues and others.

Commissioner Lowell Johnson recognized Commissioner-elect Tim Schram, who was attending the meeting, and congratulated him on his election.

GENERAL ADMINISTRATION

Notice was duly published December 12, 2006 on Page 9 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held December 19, 2006 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceeding:

Wednesday, December 20, 2006:

NG-0041 Commission Hearing Room, Lincoln. Planning Conference.
10:00 In the Matter of Aquila, Inc., d/b/a Aquila Networks (Aquila), Omaha, seeking individual general rate increases for Aquila's Rate Area One, Rate Area Two, and Rate Area Three. Commissioner Frank Landis presiding as Hearing Officer.

COMMUNICATIONS DEPARTMENT

Motion made by Commissioner Vap, seconded by Commissioner Rod Johnson, to enter an order granting applications AD-370r through AD-373r. Motion passed with Commissioners Boyle, Lowell Johnson, Rod Johnson, Landis and Vap voting AYE.

AD-370r In the Matter of Global Vantage, Inc., San Rafael, California, seeking authority to register and connect an automatic dialing-announcing device.

AD-371r In the Matter of Textron Financial Corporation, Providence, Rhode Island, seeking authority to register and connect an automatic dialing-announcing device.

COMMUNICATIONS DEPARTMENT (Cont.)

AD-372r In the Matter of CT Livestock Freight, Omaha, seeking authority to register and connect an automatic dialing-announcing device.

AD-373r In the Matter of Aid Associates Inc., d/b/a Plaza Associates, New York, New York, seeking authority to register and connect an automatic dialing-announcing device.

C-3479/
PI-107 In the Matter of the Commission, on its own motion, seeking comment on the implementation of the Federal Communications Commission (FCC) requirement for all telecommunications carriers including wireline, wireless and payphone service providers to deploy the 811 code for use as a "One Call" number for access to the diggers' hot line system by April 13, 2007. Commissioner Anne Boyle presiding as Hearing Officer: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order implementing 811 abbreviated calling. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3554/
PI-112 In the Matter of the Commission, on its own motion, seeking to investigate whether the zones established in Docket C-2516 are appropriate in light of NUSF-26 findings and conclusions. Commissioner Jerry Vap presiding as Hearing Office: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order scheduling a planning conference for January 22, 2007, at 2:00 p.m. in the Commission Library, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3702/
NUSF-60/
PI-123 In the Matter of the Commission, on its own motion, seeking to investigate Clark's Access Rates. Commissioner Rod Johnson presiding as Hearing Officer: Gene Hand reported that this docket will be addressed during the Nebraska Infrastructure and Public Safety Department agenda.

C-3713 In the Matter of Neutral Tandem-Nebraska, LLC, Chicago, Illinois, seeking a Certificate of Convenience and Necessity to provide local exchange services in the areas served by Qwest and to operate as an interexchange carrier within the state of Nebraska: Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3739 In the Matter of Alltel Communications of Nebraska, Inc., Little Rock, Arkansas, seeking expansion of Eligible Telecommunications Carrier Designation pursuant to section 214(e)(2) of the Communications Act of 1934: Commissioner Landis appointed Hearing Officer.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3721 In the Matter of Great Plains Communications, Inc., Blair, seeking an interconnection and reciprocal compensation agreement with Aventure Communications Technology, LLC, Sioux City, Iowa: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an order approving the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3716 In the Matter of the Commission, on its own motion, seeking NUSF-60.01 to investigate Qwest Corporation's Access Rates. Commissioner Anne Boyle presiding as Hearing Officer: Gene Hand informed the Commission that a Hearing Officer order was entered on December 13, 2006 continuing the December 14, 2006 pre-hearing conference to December 21, 2006, at 10:00 a.m. in the Commission Hearing Room, Lincoln.

Gene Hand reported on automatic dialing-announcing device complaints regarding timely disconnect. Commissioner Boyle directed Mr. Hand to open an investigation.

Gene Hand reported that a Nebraska Internet Enhancement Fund (NIEF) Advisory Board meeting is scheduled for January 19, 2007, at 2:30 CST in the Commission Library, Lincoln; Columbus Public Library, Columbus Room, 2nd floor, 2504 14th Street, Columbus; McMillen Hall, Room 208, 1205 East 3rd Street, McCook; Panhandle Learning Center, High Plains Room, 4502 Avenue "I," Scottsbluff.

Gene Hand informed the Commission that Commissioner Robert McDowell of the Federal Communications Commission (FCC) issued a statement disqualifying himself from participating in the AT&T/Bell South merger proceeding.

Gene Hand reported that Qwest now offers DSL service in Pender and that completes the deployment of DSL in all Qwest wire centers.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT

Jeff Pursley informed the Commission that the next Wireless E911 Advisory Board Meeting is scheduled for February 5, 2007 at 10:00 a.m. in the Commission Library, Lincoln.

NUSF-4 In the Matter of the Commission, on its own motion, seeking to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act to be effective fiscal year beginning July 1, 1999: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order revising the surcharge on an emergency basis. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle voting NAY.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

NUSF-50 In the Matter of the Commission, on its own motion, seeking to make adjustments to the universal service fund mechanism established in NUSF-26: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order approving the findings and conclusions, and requesting comments be filed on the staff's proposal to eliminate ported support for competitive local exchange carriers in zones 1 and 2, no later than January 23, 2007. Motion passed with Commissioners Anne Boyle, Lowell Johnson and Frank Landis voting AYE, Commissioner Jerry Vap voting NAY, and Commissioner Rod Johnson present not voting.

NUSF-50 In the Matter of the Commission, on its own motion, seeking
PO #2 to make adjustments to the universal service fund mechanism established in NUSF-26. Commissioner Landis presiding as Hearing Officer: Jeff Pursley discussed the Hearing Officer's order entered December 18, 2006, scheduling a pre-hearing conference for January 22, 2007 at 2:00 p.m. in the Commission Library, Lincoln.

NUSF-60/ In the Matter of the Commission, on its own motion, seeking
C-3702/ to investigate Clarks Telecommunications Company's Access
PI-123 Rates: Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle, to approve the stipulation agreement. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NUSF-60.01 In the Matter of the Commission, on its own motion, seeking
C-3716 to investigate Qwest Corporation's Access Rates: The Hear-
PI-124 ing Officer's order of December 13, 2006, was discussed under the Communication's Department agenda. The Commission will take action on this docket this afternoon following a recess of the Commission meeting.

NUSF-62 In the Matter of the Commission, on its own motion, seeking to require Qwest Corporation to show cause as to why its Nebraska eligible telecommunications carrier designation relating to the Nebraska Telehealth Program should not be revoked: Jeff Pursley discussed the Hearing Officer's order entered December 18, 2006, continuing the hearing previously scheduled for December 19, 2006, to a date later to be determined.

NSUF-64 In the Matter of the Commission, on its own motion, seeking to investigate the use of expense caps in the earnings calculation for Nebraska universal service fund support: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order opening the docket and scheduling a workshop for January 31, 2007 at 1:00 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

Jeff Pursley discussed the use and expense of self-addressed return envelopes in the re-certification process of the Nebraska Telephone Assistance Program (NTAP). There was no objection to include postage prepaid envelopes with re-certification applications.

Jeff Pursley reported on the NUSF Late-Filed Carrier Remittances: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to open complaints under the revised fining policy against Buzz Telecom and Telrite Corporation. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT

NG-0036 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking approval of a general rate increase. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter Assessment Order HSD-008. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NG-0039 In the Matter of Kinder Morgan, Inc., Houston, Texas; KM Retail Utilities Holdco LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, Source Gas Holdings LLC, Stamford, Connecticut; and Source Gas LLC, Stamford, Connecticut; seeking approval of (1) the proposed transfer of Kinder Morgan, Inc.'s Nebraska Certificate of Convenience and utility assets to Source Gas Distribution LLC; and (2) the proposed change of control of Source Gas Distribution LLC from Kinder Morgan, Inc. to Source Gas LLC. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter Assessment Order HSD-002. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NG-0040 In the Matter of Kinder Morgan, Inc., Houston, Texas; KM Retail Utilities Holdco LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, seeking approval of an asset transfer of jurisdictional utility assets. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter Assessment Order HSD-002. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT (Cont.)

NG-0041 In the Matter of Aquila, Inc., d/b/a Aquila Networks (Aquila), Omaha, seeking individual general rate increases for Aquila's Rate Area One, Rate Area Two, and Rate Area Three. Frank Landis presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter Assessment Order No. HSD-001. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

Commissioner Landis exited the Commission Hearing Room.

P-0013.5 In the Matter of Metropolitan Utilities District of Omaha, Omaha, providing notice required by *Neb. Rev. Stat.* Section 66-1863, that it intends to extend or enlarge its service area or extend a gas main: Motion made by Commissioner Boyle, seconded by Commissioner Vap, to enter an order closing the docket. Motion passed with Commissioners Boyle, Lowell Johnson, Rod Johnson and Vap voting AYE, and Commissioner Landis excused not voting.

RULES AND REGULATIONS

Rule and Regulation #157A In the Matter of the Commission, on its own motion, seeking to amend Title 291, Chapter 9, Natural Gas and Pipeline Rules and Regulations, to adopt rules in accordance with Nebraska Legislative Bill 790 [2003]: Laura Demman reported that the rules were signed by the Governor and filed with the Secretary of State on December 12, 2006 and became effective December 17, 2006.

TRANSPORTATION DEPARTMENT

B-1686 In the Matter of We Care Wheelchair, Sioux City, Iowa, seeking authority as a common carrier in Nebraska intra-state commerce in the transportation of passengers and their baggage between points in Dakota, Burt, and Thurston counties, and between points in said counties over irregular routes. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized: Motion made by Commissioner Rod Johnson, seconded by Commissioner Boyle, to enter an order granting the application. Motion passed with Commissioners Boyle, Lowell Johnson, Rod Johnson and Vap voting AYE, and Commissioner Landis excused not voting.

B-1693 In the Matter of Jason Studer, d/b/a Jason's Limousine Service, Superior, seeking to acquire, through transfer, the authority held by Kim Halbmaier, d/b/a Kim's Limousine Service, Hastings, in Certificate Number B-1431: Motion made by Commissioner Rod Johnson, seconded by Commissioner Jerry Vap, to enter an order granting temporary authority. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

TRANSPORTATION DEPARTMENT (Cont.)

M-14191 In the Matter of 911 Moving, LLC, Omaha, seeking authority as a common carrier in Nebraska intrastate commerce in the transportation of household goods between points in Douglas County and Sarpy County and between points in said counties: A hearing was scheduled for February 8, 2007, at 9:30 a.m. in the Commission Library, Lincoln, and the Nebraska State Office Building, Room 207, 2nd Floor, 1313 Farnam, Omaha. Commissioner Boyle was appointed Hearing Officer.

M-14192 In the Matter of Hermanos Rodriguez, Inc., d/b/a Rodriguez Brothers, Omaha, seeking authority as a common carrier in Nebraska intrastate commerce in the transportation of household goods between points in Nebraska over irregular routes: A hearing was scheduled for January 31, 2007, at 9:30 a.m. in the Commission Library, Lincoln, and the Nebraska State Office Building, Room 207, 2nd Floor, 1313 Farnam, Omaha. Commissioner Boyle was appointed Hearing Officer.

M-14193 In the Matter of Aaron Vieyra, d/b/a Mid-Nebraska Moving and Transport, North Platte, seeking authority as a common carrier in Nebraska intrastate commerce in the transportation of household goods over irregular routes between points in Nebraska: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order dismissing the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

Mark Breiner reported on the insurance requirements for private carriers of property. The Commission requested that this matter be added to the January 9, 2007 agenda as an action item.

Rate Division

BR-323 In the Matter of OMALiNK, Lincoln, seeking authority to adjust its rates and charges: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to deny the application on an emergency basis. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

BR-324 In the Matter of OMALiNK, Lincoln, seeking authority to establish rates for its use in open class operations: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order granting the application on an emergency basis. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

TRANSPORTATION DEPARTMENT (Cont.)

BR-325 In the Matter of We Care Wheelchair, Sioux City, Iowa, seeking authority to adjust its rates and charges:
Motion made by Commissioner Rod Johnson, seconded by Commissioner Jerry Vap, to enter an order granting the application on an emergency basis. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

LR-273 In the Matter of OMALiNK, Lincoln, seeking authority to set rates and charges: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order granting the application on an emergency basis. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

LR-274 In the Matter of Prestige Limo, Sidney, seeking authority to set its rates and charges: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was retained at 60 cents per mile.

GRAIN WAREHOUSE DEPARTMENT

GW-1154 In the Matter of Heartland Co-Op, Hastings, seeking a \$25,000.00 deductible on its stock insurance coverage:
Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle to enter an order granting the deductible. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

GW-2176 In the Matter of L & L Pork, Inc., d/b/a Randolph Elevator, Randolph, seeking to cancel its Grain Warehouse License:
The application was granted.

GENERAL ADMINISTRATION

Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle, to approve the following Commission invoices. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

GENERAL ADMINISTRATION (Cont.)

DAS-Central Finance-Office Supplies	\$	740.54
Larry Fauss		960.00
Anne Boyle		496.91
Gerald Vap		924.83

NEBRASKA EQUIPMENT DISTRIBUTION PROGRAM

Alternative Hearing		609.92
B Hear Inc.		930.94
Beltone		1,084.30
Hearing Aid Center of Columbus		324.90
Hearing Aid Specialists	\$	681.85
Carl A. Johnson Jr.		204.65
K-D Communications		3,864.40
League of Human Dignity		159.95
McCook Pharmacy & Medical Supply		1,095.95
Professional Hearing Aid Services		359.95
Sherard Hearing Aid Center		406.00
Teltex		422.55
Weitbrecht Communications		12,183.56

Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to approve Commission minutes for November 2006. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to rescind the E911 aid deficit request. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to rescind the Nebraska Universal Service Fund (NUSF) aid deficit request. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to approve the contract with TechnoCom for E911 consulting. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

The Commission recessed at 9:58 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson and Vap present and Commissioner Landis excused.

GENERAL ADMINISTRATION (Cont.)

The Commission reconvened at 3:55 p.m. in the Commission Library with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis excused.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT

NUSF-60.01/In the Matter of the Commission, on its own motion, seeking C-3716/ to investigate Qwest Corporation's Access Rates: Motion PI-124 made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to approve the stipulation and postpone the pre-hearing conference and hearing previously scheduled respectfully for December 21, 2006 and January 4, 2007. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

NUSF-60.01/In the Matter of the Commission, on its own motion, seeking C-3716/ to investigate Qwest Corporation's Access Rates: Motion PI-124 made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to approve the stipulation regarding withdrawal of its filing. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

The meeting adjourned at 4:00 p.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson and Vap present and Commissioner Landis excused. The next regularly scheduled meeting will be held on December 27, 2006, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on December 26, 2006.

Chairman

Executive Director